

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 /031 W

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R 240845Z DEC 77

FM AMEMBASSY TUNIS

TO USDOC WASHDC

SECSTATE WASHDC 9361

INFO AMEMBASSY ALGIER

AMEMBASSY BONN

AMEMBASSY ATHENS

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TRIPOLI

UNCLAS TUNIS 9127

ATHENS FOR RTDO

E.O.11652: NA

TAGS: BEXP EAGR TS

SUBJ: TENDER FOR TRACTOR ASSEMBLY PROJECT

REF: TUNIS 8287 (NOTAL), TUNIS 7606 (NOTAL), AND TUNIS 7589
(NOTAL).

1. RECENTALKS WITH TOP OFFICIALS OF TUNISIAN INDUSTRIAL DEVELOPMENT BANK (BDET) AND TUNISIAN INVESTMENT PROMOTION AGENCY (API) INDICATE THAT GERMAN FIRMS KLOCKNER - DEUTZ PROBABLY ARE IN LEAD. HOWEVER, PROMOTERS HERE SAY THEY ALSO ARE INTERESTED IN JOHN DEERE. AGENT FOR JOHN DEERE SAYS IT HAS MADE TWO PROPOSALS TO API THROUGH GERMAN SUBSIDIARY BUT APPARENTLY HAS YET TO MAKE DIRECT CONTACT WITH BDET, WHICH NOW LEAD AGENCY ON PROJECT.

2. BDET DEVELOPMENT DIRECTOR NEJIB BEN DEBBA, WHO IS
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INTIMATELY INVOLVED ON PROJECT PLANS AND ASSESSMENT, SEES TRACTOR ASSEMBLY INEXTRICABLY LINKED TO ASSDMBLY OF DIESEL MOTORS. (FOUNDRY/FORGE PROJECT, WHILE COMPLEMENTARY, TO BE SEPARATE VENTURE). EMPHAIS TO BE ON (A) MAXIMUM TUNISIAN VALUE-ADDED WITHIN COST/PRISE CONSTRAINTS AND (B) DESIGNING PROJECTWHICH CAN BE VIABLE ON BASIS OF TUNISIAN MARKET ALONE--WHICH NOW BUYS ONLY 2,500 TRACTOR UNITS ANNUALLY.

(LIBYANS HAVE ENCOURAGED HOPES FOR BOTH SALETL D PROJECT PARTICIPATION, BUT TUNISIANS PREFER TO AVOID DEPENDENCE ON SUCH EXPORTS, WHICH COULD BE HANDLED BY SECOND SHIFT).

3. TO MEET ABOVE CRITERIA, BEN DEBBA--WHO IS EXPER ENGINEER--PUTS MUCH EMPHASIS ON TRACTORS INCORPORATING A "UNIVERSAL"DIESEL ENGINE, I.E. ONE ALSO SUITABLE TO OTHER PURPOSES. SAYS ENGINE ALSO SHOULD BE OF "MODULAR" CONSTRUCTION, MEANING THAT MANY PARTS COULD BE USED IN DIFFERENT MODELS WITHIN 40 HORSE POWER TO 120 HORSE POWER RANGE.

4. EMBASSY IS AWARE OF INTERNATIONAL HARVESTER INTEREST IN THIS PROJECT WHICH BEING FOLLOWD BY INTERNATIONAL HARVESTER GREAT BRITAIN (MICHAEL BOWEN) AND FRENCH SUBSIDIARY; (INTERNATIONAL HARVESTER BRIEFLY HAD ASSEMBLING OPERATION IN TUNISIA ABOUT TEN YEARS AGO).

FOR REASONS WE ARE NOT ABLE TO EVALUATE, BEN DEBBA SUGGESTED THAT INTERNATIONAL HARVESTER, WITH PERKINS ENGINES, AND CERTAIN OTHER MAJOR TRACTOR PROJUCERS WERE NOT GOOD PROSPECTS FOR THIS PROJECT GIVEN ENGINE CHARAC- TERISTICS WHICH ARE NOT CONSISTENDT WITH CRITERIA CITED IN PARAGRAPH 3.

5. ACTION: WHILE WE BELIEVE THAT POTENTIAL CANDIDATES FOR TUNISIAN TRACTOR PROJECT ARE FOLLOWING DEVELOPMENTS DIRECTLY UNCLASSIFIED

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OR THROUGH LOCAL AGENTS, WE WOULD APPRECIATE CAGNE'S CONTACTING US HEAD OFFICES OF TRACTOR MANUFACTURERS TO ASCERTAIN WHICH ARE ACTIVELY INTERESTED IN THIS TENDER (BID DEADLINE NOW MARCH 30 - SEE TUNIS 8287) AND, IF SO, WHAT OFFICE OR SUBSIDIARY IS TAKING THE LEAD. IN CASE OF JOHN DEERE, WOULD CONVEY SUGGESTION WE HAVE MADE TO AGENT HERE THAT CONTACT BE MADE WITH BDET. IN CASE OF INTERNATIONAL HARVESTER, SUGGEST MENTIONING ALLEGED ENGINE DESIGN PROBLEMS. MULCAHY

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Disposition History: n/a
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